

NATURAL RESOURCES DEPARTMENT[561]

Adopted and Filed

Rule making related to state park and recreation area fees

The Natural Resources Department hereby adopts Chapter 16, “State Park and Recreation Area Fees,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 455A.14.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 455A.14.

Purpose and Summary

Iowa Code section 455A.14 explicitly directs the Department to promulgate in rule a methodology for establishing base fees for park and recreation area camping, rental facilities, vessel storage, and other special privileges. This rule making establishes this methodology. The methodology reflects the parameters of rate setting contained in the statute, namely to ensure fees are competitive with those charged at other parks and recreation areas within a 60-mile radius for the same or similar privileges and to strategically adjust these fees in response to, or so as to stimulate, user demand. This rule making does not directly establish any fees but rather outlines the criteria that will determine what those fees will be. Once set, those fees shall be published on the Department’s website.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on January 16, 2019, as **ARC 4226C**. Six public hearings were held on February 7, 2019, from 12 noon to 2:00 p.m. at the following locations:

Delaware County Conservation Board
Conference Room
2379 Jefferson Road
Manchester, Iowa

Cold Springs District Office
Conference Room
57744 Lewis Road
Lewis, Iowa

Clear Lake State Park Office
2730 South Lakeview Drive
Clear Lake, Iowa

Lake Darling State Park Lodge
111 Lake Darling Road
Brighton, Iowa

Visitor Center Banquet Room
Lewis and Clark State Park
21914 Park Loop
Onawa, Iowa

Wallace State Office Building
Conference Room 4E/4W
Des Moines, Iowa

Three people attended the public hearings. A total of eight comments were received from the public, all in general support of the rule making. To clarify that the methodology for fees is set forth in Chapter 16, the word “by” was changed to “pursuant to” in rule 561—16.3(455A). No other changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Department on March 14, 2019.

Fiscal Impact

The fiscal impact of this rule making would be a possible increase in revenue for the state's conservation fund, which is required by law to support Iowa's state parks system among other public lands and waters. See Iowa Code section 456A.17. This rule making does not directly establish what camping, rental facility, vessel storage, and other special privilege base fees will be. Instead, it defines the methodology used by the Director to set those fees; nonetheless, the ultimate impact of this rule making is state park and recreation area fees. Accordingly, the Department associates all speculated revenues with this rule making.

Importantly, these revenues are necessarily speculative due to the data collection required by 2018 Iowa Acts, Senate File 2389, that is still ongoing. Senate File 2389 requires the Department to survey a 60-mile radius around each state park and recreation area and catalog prices assessed at other public areas within each radius. The information gained from the survey is to guide the Department in establishing base fees to ensure rates remain competitive. A final assessment is not expected until sometime next year. As such, the Department does not anticipate many fee changes in 2019. That said, the surveying completed so far reveals a wide variety of prices, some much higher and some less than those currently charged at certain parks and recreation areas, so a few fee modifications are likely. The Department does not anticipate that the possible modifications will result in significantly higher fee amounts.

One possible example of a modification to fees for 2019 would be extending peak season pricing for fall destination parks. The peak season for camping is typically May 1 through September 30. During this period, the camping rates are at the highest amount of the year. The winter season rates typically begin October 1 and run through April 30. The Department anticipates that it will drop its winter season camping rate by \$5/night for all campsite types (electric, nonelectric, full hook-up) in a modern campground and by \$3/night for all campsite types (electric, nonelectric, full hook-up) in a nonmodern campground. However, several state parks and recreation areas around the state are popular camping destinations during the fall, including the month of October, while shower and restroom facilities are still open and water is available. Water is turned off and facilities shut down sometime in mid-October due to the potential of freezing temperatures. The Department is reviewing the occupancy rates of campgrounds in the month of October to determine which campgrounds could justifiably maintain the peak season rates. For example, Pikes Peak State Park is situated on the bluffs overlooking the Mississippi and Wisconsin Rivers. It is a destination area for fall foliage visits. In 2017, the campground's overall occupancy for electric campsites was 56 percent (62 percent on weekends) and 27.57 percent for nonelectric sites (52 percent on weekends). If the peak season for this park was extended to include October 1 to 31, an additional \$5,100 in new revenue could be generated for the conservation fund.

The Department is considering a strategic reduction in camping fees during pre- and post-peak season times to increase use and occupancy. Under the current rules, peak season pricing begins on May 1, but campground use really picks up around Memorial Day. Likewise, peak season pricing stays in effect until September 30, but camping starts to taper off after Labor Day, except in the fall destination parks noted above. To drive use and occupancy during these less popular times, the Department may strategically reduce rates through the use of short-term discount promotions or create a lower pre- and post-season rate. Estimations on revenue generation are necessarily speculative, but even a \$10/night price (for example) for an otherwise unoccupied campsite is positive revenue to the conservation fund.

Finally, the Department may strategically increase peak season rental fees at several high-demand and unique facilities around the state, with Gull Point State Lodge being one example. This large stone and timber day-use lodge was built by the Civilian Conservation Corps. It sits on the shore of West Okoboji, has seating for 200 guests and a patio that seats an additional 30, and has a full kitchen, a modern restroom, and two fireplaces. It is a high-demand venue for weddings, reunions, and other group activities. It currently rents for \$200/day on Fridays, Saturdays, and major holidays, and \$100/day on

weekdays. There are no similarly situated or sized public comparables in a 60-mile radius, and notably, the comparable private facilities rent for several hundred to several thousand dollars a day. Therefore, the Department is likely to increase its rate, and even doubling the rate would still result in an extraordinarily low and affordable fee for the venue's size, location, and amenities and would generate several thousand dollars for the conservation fund.

However, consistent with the criteria in this rule making, the Director would be able to strategically decrease or increase all fees depending on the listed factors. The scenarios above are just examples of speculated future revenues based on the dynamic pricing made possible by 2018 Iowa Acts, Senate File 2389, and this rule making, and no final fee decisions for 2019 have been made. A copy of the impact statement is available from the Department upon request.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found. If anything, the public's use of state parks and recreation areas provides important economic support to nearby cities and towns, with guests supporting local businesses and camping and rental fees resulting in sales tax revenue. This is expected to continue, and possibly at times even increase, due to the dynamic pricing strategies that will be made possible by this rule making. A copy of the impact statement is available from the Department upon request.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 561—Chapter 10.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on May 15, 2019.

The following rule-making action is adopted:

Adopt the following new 561—Chapter 16:

CHAPTER 16 STATE PARK AND RECREATION AREA FEES

561—16.1(455A) Definitions.

“*Commission*” means the natural resource commission.

“*Department*” means the department of natural resources.

“*Director*” means the director of the department of natural resources.

561—16.2(455A) Camping, rental facilities, vessel storage, and other special privileges—fees.

16.2(1) Fee methodology. The director or the director's designee shall fix and publish on the department's website base fees for camping, the use of rental facilities, vessel storage and other special privileges at state parks and recreation areas under the jurisdiction of the department and the commission. The director or the director's designee may increase, reduce, or waive the base fees on a case-by-case basis in order to take advantage of marketing opportunities so as to encourage maximum

use of state facilities. The director or the director's designee may consider the following factors when establishing and when adjusting base fees:

- a.* The specific park's or recreation area's amenities.
- b.* The size and features of a particular campsite or rental facility.
- c.* Use of campsites, rental facilities, or other special privileges.
- d.* Day of the week, season of the year, holidays, or other noteworthy occasions or special events.
- e.* Cost of operations.
- f.* Other considerations that the director or the director's designee deems appropriate.

16.2(2) *Fees honored.* The fee to be charged shall be the fee currently in effect at the time the reservation is made and paid for. Any change to a reservation shall be subject to the fees applicable to the campsite or rental facility, along with any applicable reservation change fee, at the time the reservation is modified.

561—16.3(455A) Areas under management—varying fees. Fees charged for like services in state-owned areas under management by political subdivisions may vary from those established pursuant to this chapter.

These rules are intended to implement Iowa Code section 455A.14.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 4/10/19.